

To the Members of the California State Assembly:

I am returning Assembly Bill 985 without my signature.

While the goal of this measure is a worthy one, the practical legal effect is negligible. The restrictive covenants this bill would redact from certain recorded documents are already illegal and void under existing law. Existing law already allows an owner of a property with restrictive covenants to record a "Restrictive Covenant Modification" (RCM) form in order to remove any void or unenforceable covenant, condition, or restriction and permits the county recorder to waive any fees for filing the RCM.

Secondly, it is unknown if the \$2 recording fee attached to this bill to fund the redacting of restrictive covenants has any nexus to the actual cost of doing so. To make matters worse, the bill allows local municipalities to raise the recording fee, ostensibly to a “reasonably sufficient to recover the costs for performing activities related to the redaction of an unlawfully restrictive covenant”. However, without a hard cap or sunset of the fee, the fee may be raised and excess amounts used to fund services or projects only remotely related to the redaction of objectionable covenants.

For these reasons, I am unable to sign this bill.

Sincerely,

Arnold Schwarzenegger